

IRM PROCEDURAL UPDATE

DATE: 04/19/2016

NUMBER: SBSE-20-0416-0761

SUBJECT: Change to Minimum FTF Penalty

AFFECTED IRM(s)/SUBSECTION(s): 20.1.2.2.7.4

CHANGE(s):

IRM 20.1.2.2.7.4 Updated for minimum penalty increase for returns due after 12/31/2015.

1. If the return is 60 days or more late, and the normal computed penalty is less than the amount listed in the table below, then a minimum penalty applies:

Return Due Date (w/o extension)	Minimum Amount
On or before 12/31/2008	\$100.00
Between 01/01/2009 and 12/31/2015	\$135.00
After 12/31/2015	\$205.00

NOTE: The \$205 minimum in the table above is subject to inflation adjustments. There will be no change for returns due in 2016 or in 2017.

2. The minimum penalty applies only to income tax returns. It does not apply to employment tax, excise tax, gift tax, or estate tax returns. # [REDACTED]

[REDACTED] #

#

- [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
- [REDACTED] #

3. Abate any excessive minimum penalty amount using Transaction Code (TC) 161 with Penalty Reason Code (PRC) 045.